



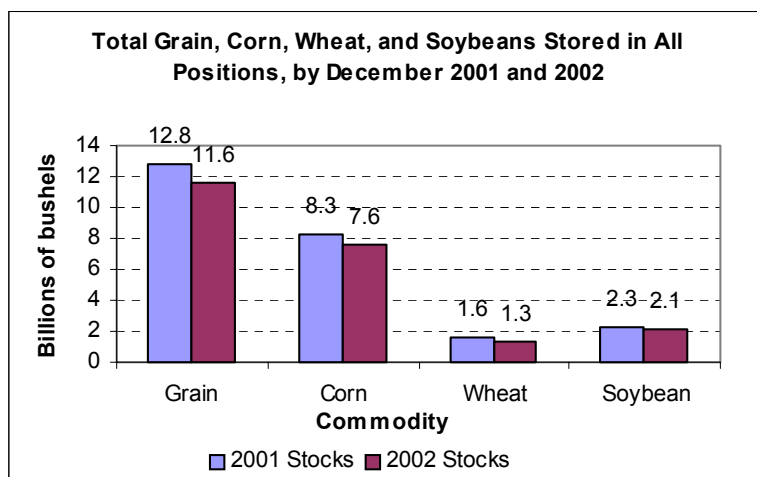
GRAIN TRANSPORTATION REPORT

Transportation & Marketing, Agricultural Marketing Service
United States Department of Agriculture

FEBRUARY 6, 2003

<u>TM GRAIN TRANSPORT</u> <u>COST INDICATORS</u>	<u>Truck</u>	<u>Rail</u>	<u>Barge</u>	<u>Ocean</u>	
				<u>Gulf</u>	<u>PNW</u>
Indicator Value* for 02/06	103	109	114	118	133
Compared to Last Week	↑	↓	↓	→	→
<small>*Indicator: Base Year 2000=100; Cost Data, Weekly Updates include Truck=Diesel, Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Ocean Vessel, based on Routes to Japan</small>					

December Total Grain Stocks Down in 2002. Total grain stored in all positions as of December 1, 2002, was down 1.22 billion bushels for a total of 11.57 billion bushels, a 10-percent reduction compared to December 2001 (see figure below). Fifty-seven percent of the grain was stored on farms, while the remainder was stored in off-farm facilities. A similar quantity of grain was stored on farms during the previous December.



Corn, Wheat, Soybeans Stored in All Position Down in 2002. As of December 1, 2002, corn stored in all positions totaled 7.63 billion bushels, down 631.2 million bushels or 8 percent, compared to December 1, 2001. Of the total corn stored, 4.80 billion bushels were stored on farms, down 9 percent from a year earlier. Off-farm stocks, at 2.83 billion bushels, were down 5 percent from the previous year.

All wheat stocks in all positions as of December 1, 2002 totaled 1.32 billion bushels, a 19-percent reduction in stocks held a year ago. On-farm stocks, estimated at 385 million bushels, were down 26 percent from the previous December, while off-farm stocks, at 936 million bushels, were down 15 percent from a year earlier.

Data source: Grain Stocks, NASS, USDA, January 10, 2003

Soybeans stored in all positions as of December 1, 2002, totaled 2.11 billion bushels, down 7 percent from a year earlier. On-farm stocks, at 1.17 billion bushels, were down 6 percent, while off-farm stocks, at 944 million bushels, were down 9 percent from December 2001.

Lower Stocks May Impact Grain Transportation. Lower grain stocks may affect the demand for transporting grain, transportation cost structures, and shippers' preferred transportation mode. Lower stocks result when domestic and foreign demand increase or remain at the current level, and production is low in the grain producing regions. The grain-deficit regions may then have to purchase grain and oilseeds from nontraditional sources. As a result, short term demand for transportation may increase. Grain prices may also increase. Increased grain prices may encourage farmers to sell their grain sooner to increase profits thus further increasing the demand for transportation. In addition, if regions must haul grain from long distances, the cost for hauling grain may increase, forcing shippers to reevaluate their preferred mode of transportation. Surajudeen.Olowolayemo@usda.gov.

Report is prepared by Deen Olowolayemo, Hooshang Fazel, and Johnny Hill, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Support provided by Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments and questions to Surajudeen.Olowolayemo@usda.gov.

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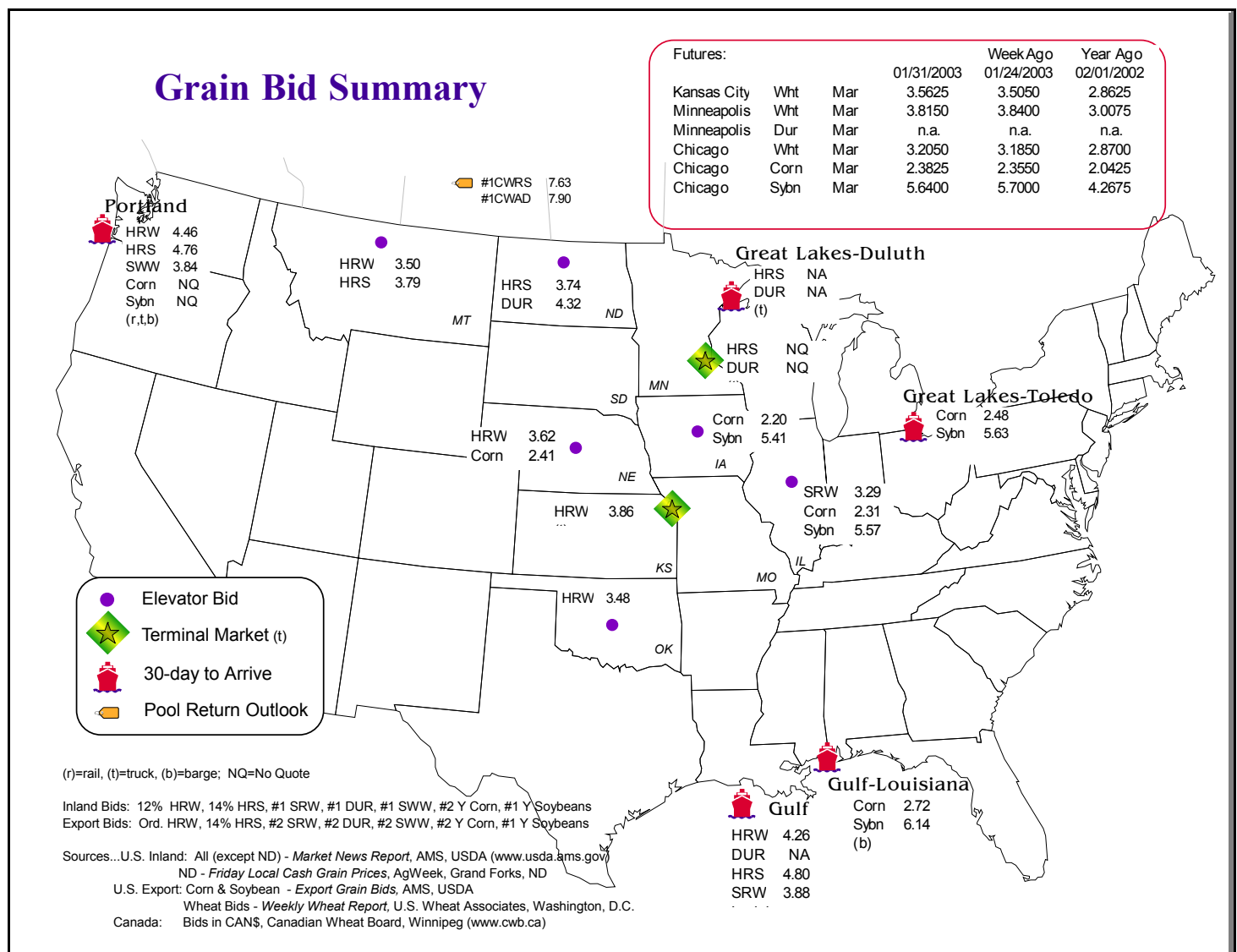
The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision making and longer-term strategic planning for an effective and efficient U.S. grain logistics system.

Market Update: U.S. Origins to Export Position Price Spreads

Per Bushel

Commodity	Origin--Destination	This week	Last week
Corn	IL -- Gulf	-0.41	-0.43
Corn	NE -- Gulf	-0.31	-0.30
Soybean	IA -- Gulf	-0.73	-0.72
HRW	KS -- Gulf	-0.40	-0.40
HRS	ND -- Portland	-1.02	-0.96

The **Grain Bid Summary** illustrates the market relationships for corn, soybeans, and five varieties of wheat among selected origins and destinations. Positive and negative adjustments in the differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.



RAIL TRANSPORTATION

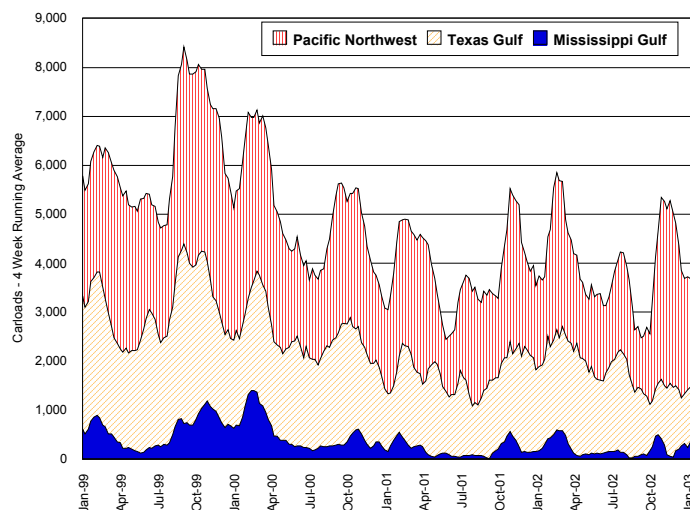
Rail Deliveries to Port

Carloads

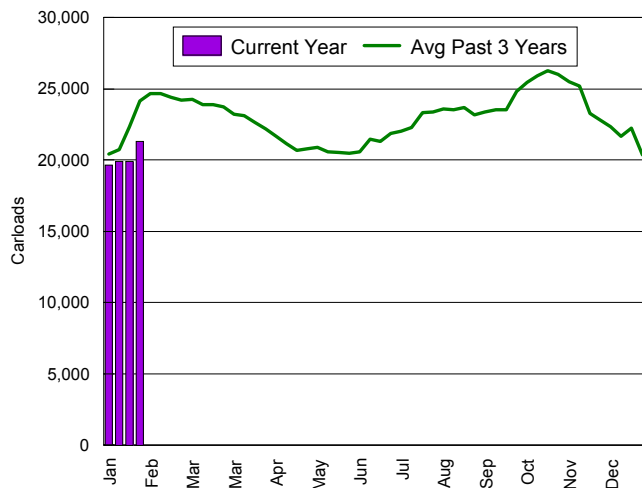
	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
1/15/03	602	499	3,066	835	5,002
01/22/03	1,070	990	3,368	674	6,102
YTD 2003	2,492	3,852	10,929	2,820	20,093
YTD 2002	1,229	6,917	6,748	3,955	18,849
% YTD 2002	203%	56%	162%	71%	107%
Total 2002	11,112	83,799	111,719	21,551	228,181
Total 2001	10,022	81,804	111,376	26,604	229,806

Source: Transportation & Marketing/AMS/USDA; (*) Incomplete Data

Rail Deliveries to Port



Grain Car Loadings for Class I Railroads



Railroads originate approximately 40% of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated and Grain Service Index

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
01/25/03	3,131	3,355	8,398	305	6,056	21,245	3,514	3,370
This Week Last Year	3,291	3,914	9,185	848	6,573	23,811	4,137	4,175
2003 YTD	11,956	12,953	31,763	1,860	26,759	85,291	13,699	12,710
2002 YTD	12,895	12,546	34,585	2,931	27,244	90,201	16,755	15,525
% of Last Year	93%	103%	92%	63%	98%	95%	82%	82%
2002 Total	142,760	164,745	400,179	27,161	344,296	1,079,141	191,835	195,765

U.S. Rail Carrier Grain Service Index*

Jan-03	94.0	99.5	93.0	89.7	94.0	94.5
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Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online (available for Service) for Rail Carrier

Rail service may be ordered directly from the railroad via **Auction** for guaranteed service or tariff for non-guaranteed service, or through the secondary market. The **Secondary Rail Market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The auction and secondary rail values are indicators of rail service quality and demand/supply.

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Mar-03	Apr-03	May-03
COT/N. Grain	\$0	\$0	\$0
COT/S. Grain	\$0	\$0	\$0
GCAS/Region 1	no bid	no bid	no bid
GCAS/Region 2	\$6	no bid	no bid

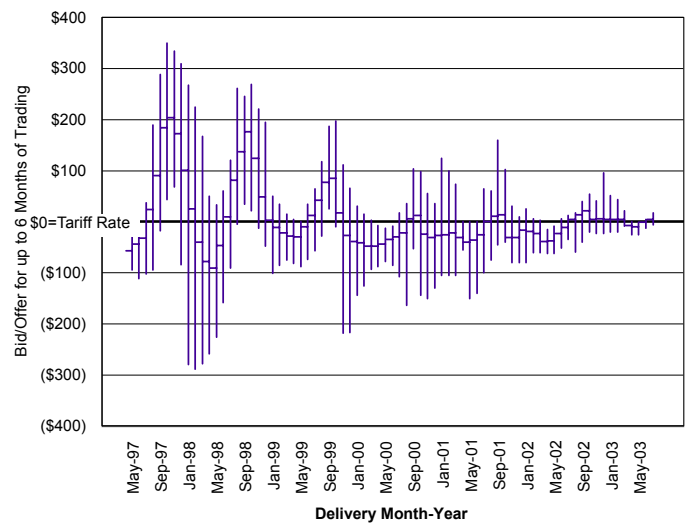
Source: Transportation & Marketing/AMS/USDA.

(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Feb-03	Mar-03	Apr-03	May-03
BNSF-GF	\$19	\$2	\$(25)	\$(26)
UP-Pool	\$9	\$10	\$(11)	\$(11)

Secondary Rail Market Bid**Tariff Rail Rates for Unit Train Shipments**

January 2003

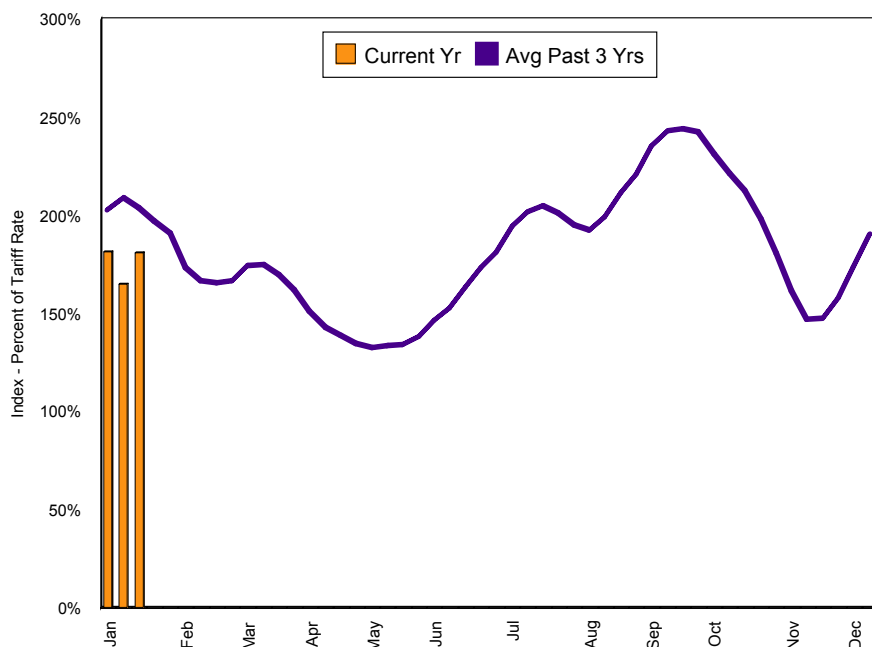
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
01/06/03	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
01/06/03	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
01/06/03	46540	Wheat	Kansas City, MO	Houston, TX	\$1,650	\$18.19	\$0.50
01/06/03	43586	Wheat	Kansas City, MO	Portland, OR	\$4,420	\$48.72	\$1.33
01/06/03	43581	Wheat	Omaha, NE	Portland, OR	\$4,005	\$44.15	\$1.20
01/06/03	31005	Corn	Minneapolis, MN	Portland, OR	\$3,050	\$33.62	\$0.85
01/06/03	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
01/06/03	31005	Corn	Omaha, NE	Portland, OR	\$2,850	\$31.42	\$0.80
01/06/03	61110	Soybean	Minneapolis, MN	Portland, OR	\$3,030	\$33.40	\$0.91
01/06/03	61110	Soybean	Omaha, NE	Portland, OR	\$2,780	\$30.64	\$0.83

Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

BARGE TRANSPORTATION

Illinois River Barge Rate Index - Rate Quotes



The **Illinois River Barge Rate Index** averaged 183% of the Benchmark Tariff Rate between 1999 and 2001, based on weekly market quotes. The **Index**, along with **Rate Quotes** and **Futures Market** bids are indicators of grain transport supply and demand.

Calculating barge rate per ton:
 $\text{Index} \times 1976 \text{ Tariff Benchmark Rate per Ton}$

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

BARGE RATE QUOTES: Southbound Barge Freight

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

	1/29/03	1/22/03	Feb. '03	Apr. '03
Twin Cities	nq	nq	nq	201
Mid-Mississippi	nq	nq	nq	173
Illinois River	223	239	198	160
St. Louis	172	214	159	132
Lower Ohio	153	173	145	130
Cairo-Memphis	118	133	117	120

Source: Transportation & Marketing /AMS/USDA; nq=no quote

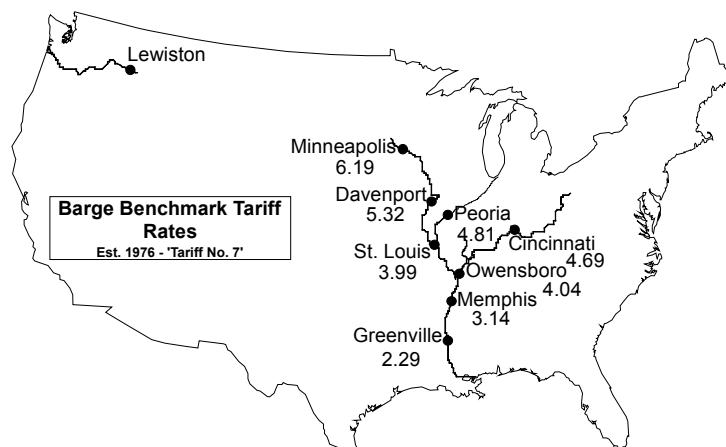
BARGE FUTURES MARKET

Southbound Barge Freight Nominal/Cash Basis Values

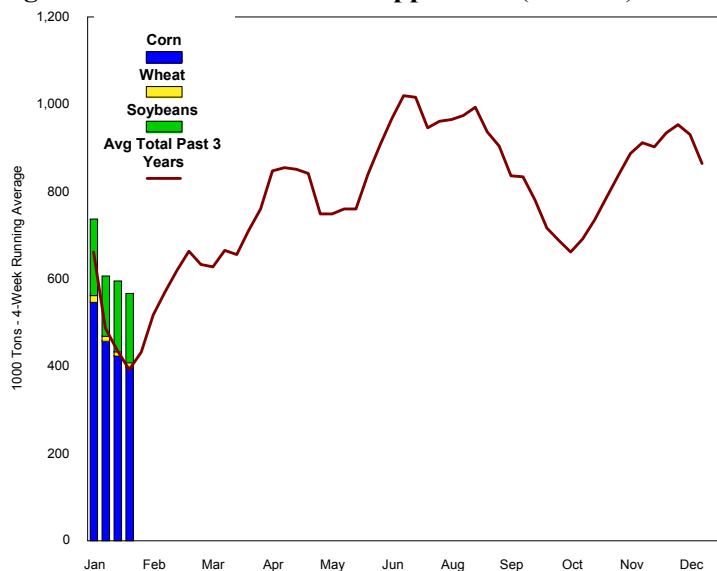
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
2/04/03	St. Louis	Mar	n/a	150
		May	n/a	145
		July	n/a	155
		Sept	n/a	175
	Illinois River	Oct	n/a	198
		Mar	n/a	168
		May	n/a	155
		July	n/a	165
		Sept	n/a	195
		Oct	n/a	220

Source: St. Louis Merchants Exchange



Barge Movements on the Mississippi River (Lock 27)



Barge Grain Movements

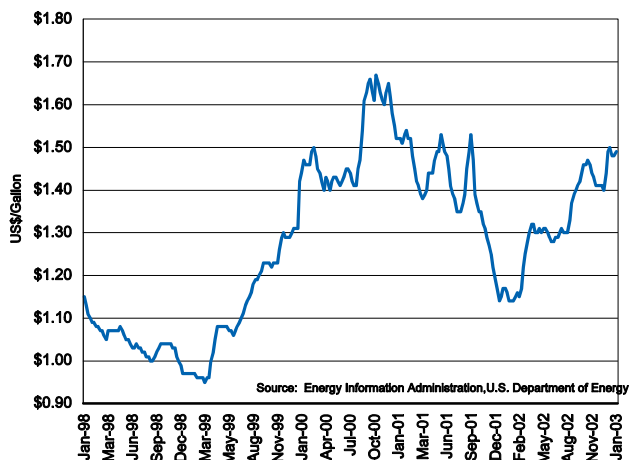
for week ending 1/25/03

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	0	0	0	0
Winfield, MO (L25)	0	0	0	0
Alton, IL (L26)	320	2	89	412
Granite City, IL (L27)	346	11	94	454
Illinois River (L8)	355	2	128	486
Ohio River (L52)	191	5	177	387
Arkansas River (L1)	0	24	21	45
2003 YTD	1,998	128	1,109	3,358
2002 YTD	2,162	141	1,021	3,478
% of 2002 YTD	92%	91%	109%	97%
Total 2001	31,878	2,679	10,616	47,091

YTD and Calendar year total includes Miss/27, Ohio/52 and Ark/1.
Source: U.S. Army Corp of Engineers.

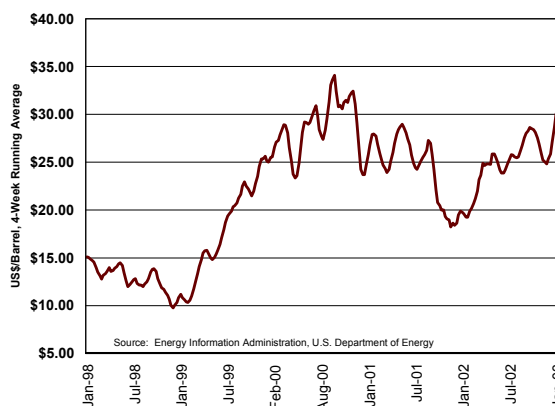
TRUCK TRANSPORTATION

Weekly U.S. Retail Road Diesel Price



The weekly **Diesel Price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37% of the estimated variable cost. **Crude Oil Price** is an indicator in future diesel price trends.

Weekly Brent Crude Price, Friday Close



Crude Oil Prices

US\$ per Barrel	This Week	Last Week	
Light Sweet Crude (NYMEX)	32.42	31.38	↑
Brent Crude	31.07	31.50	↓

Source: www.eia.doe.gov; *U.S. Refiner Crude Acquisition Cost, Composite Domestic & Import

Note: Light Sweet Crude is exchanged on the New York Mercantile Exchange. North Sea oil has a "benchmark" role in crude oil pricing. Brent crude, a blend of North Sea oils, is traded on the International Petroleum Exchange in London

GRAIN EXPORTS

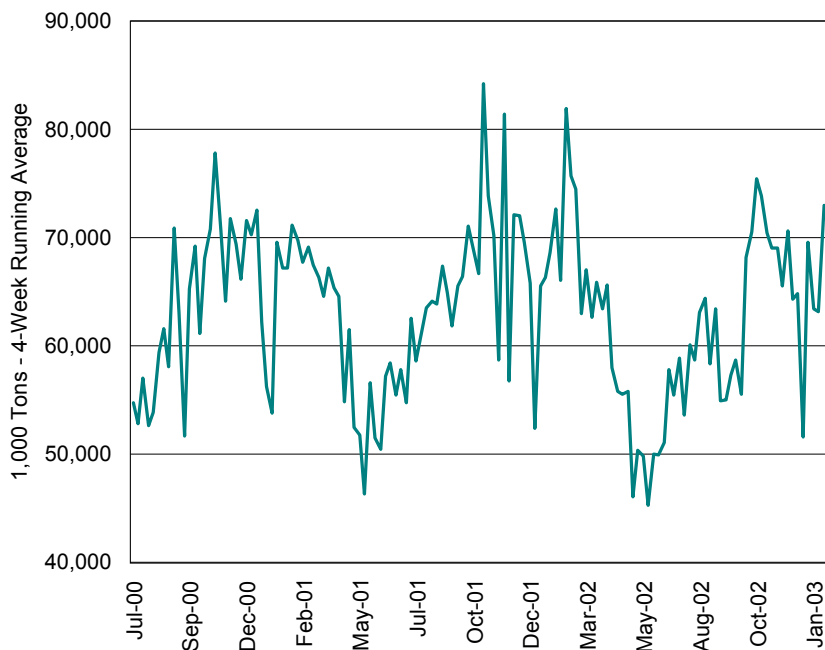
U.S. Export Balances (1,000 Metric Tons)

	HRW	SRW	Wheat HRS	SWW	DUR	All	Corn	Soybean	Total
<u>Unshipped Export Balances</u>									
01/23/03	1,104	507	1,234	587	124	3,556	5,484	7,601	16,641
This Week Year Ago	1,357	675	963	505	181	3,681	7,414	7,306	18,401
<u>Cumulative Exports-Crop Year</u>									
02/03 YTD	4,937	2,031	4,503	2,346	555	14,370	16,266	15,097	45,733
01/02 YTD	5,543	3,731	3,635	2,211	812	15,931	16,777	17,713	50,421
01/02 Total	8,761	5,485	5,582	3,175	1,133	24,135	48,003	29,926	102,064
00/01 Total	9,314	4,445	5,775	5,156	1,130	25,819	47,734	27,567	101,120
99/00 Total	10,629	4,195	5,590	4,055	984	25,453	48,760	26,972	101,185

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31; *Corrected data**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>			<u>Port Region Total</u>		
	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Pacific	Mississippi	Texas
01/30/03	121	109	190	156	442	1,046	0	0	7	421	1,644	7
2003 YTD	450	381	514	534	2,199	3,199	306	6	7	1,346	5,932	319
2002 YTD	823	405	90	327	2,566	3,037	444	0	134	1,318	5,930	578
% of 2002 YTD	55%	94%	570%	163%	86%	105%	69%	-	5%	102%	100%	55%
2002 Total	10,007	5,877	1,647	6,829	34,991	17,996	6,984	470	1,008	17,530	59,816	8,462

Source: Federal Grain Inspection Service YTD-Year-to-Date

U.S. Grain Inspected for Export**Select Canadian Port Export Inspections**
1,000 Metric Tons, Week End Summary

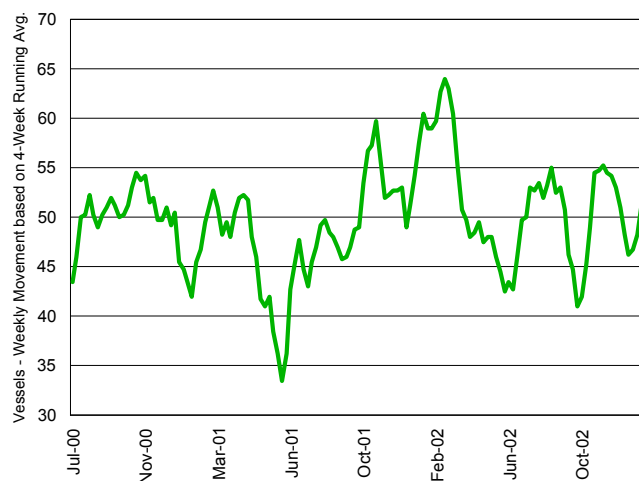
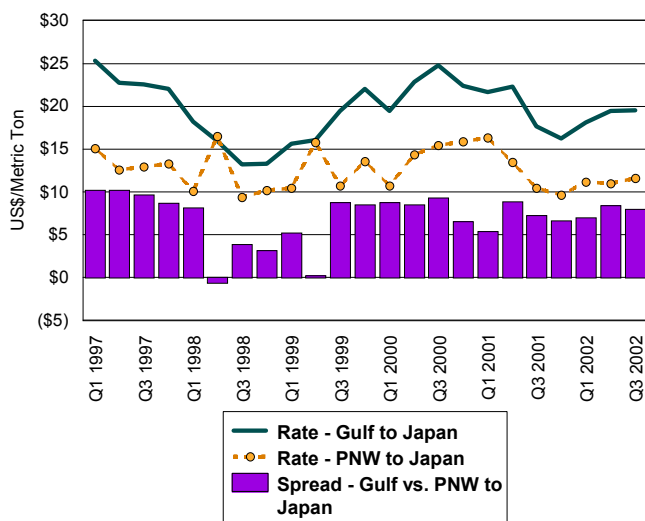
	Wheat	Durum	Barley
01/02/2003			
Vancouver			
Prince Rupert	44	21	
Prairie Direct	1		0
Thunder Bay			
St. Lawrence	2,493	1,439	184
2001/02 YTD	6,742	1,572	514
2002/03 YTD	2,538	1,460	185
% of Last Year	266%	108%	278%

Source: Canadian Grains Commission, Crop Year 8/1- 7/31

Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest	Vancouver B.C.
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	In Port
01/23/03	43	57	61	7	2
01/30/03	38	69	64	5	4
2001 Range	(13..65)	(28..64)	(46..81)	(1..18)	(4..20)
2001 Avg	36	48	63	9	12

Source: Transportation & Marketing /AMS/ USDA

Gulf Port Region Grain Vessel Loading Past 7 Days**Grain Vessel Rates to Japan****Quarterly Ocean Freight Rates**

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton

	2002 4 th Qtr	2001 4 th Qtr	% Change		2002 4 th Qtr	2001 4 th Qtr	% Change
Gulf to					Pacific NW to		
Japan	\$24.75	\$16.25	52%		Japan	\$15.39	\$9.64 60%
Mexico	\$7.50	-	-				
N. Europe	\$18.07	\$11.73	54%		Argentina/Brazil to		
N. Africa	\$18.33	\$16.98	8%		Med. Sea	\$22.00	- -
Med. Sea		\$10.58	-		N. Europe	\$22.63	\$15.72 44%

Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

Ocean Freight Rates for Selected Shipments - week ending 1/28/03

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
U.S. Gulf	El Salvador	Wheat	Jan. 15/20	22,000	\$22.00
U.S. Gulf	China	Heavy Grain	Jan. 27/Feb. 5	55,000	\$25.75
U.S. Gulf	China	Heavy Grain	Feb. 1/5	54,000	\$28.00
U.S. Gulf	Japan	Heavy Grain	Jan. 15/20	42,000	\$25.50
U.S. Gulf	Japan	Heavy Grain	Jan. 23/Feb. 7	54,000	\$27.25
PNW	Pakistan	Wheat	Jan. 15/25	30,000	\$41.98
Hull (U.K.)	Adriatic Sea	Wheat	Jan. 17/20	55,000	\$16.00

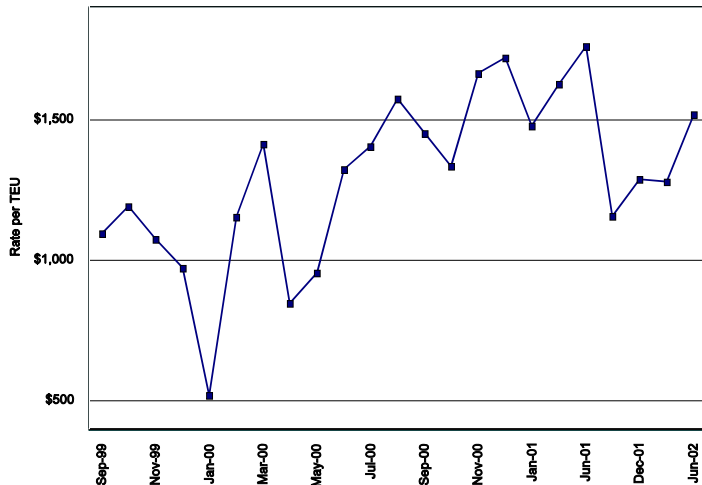
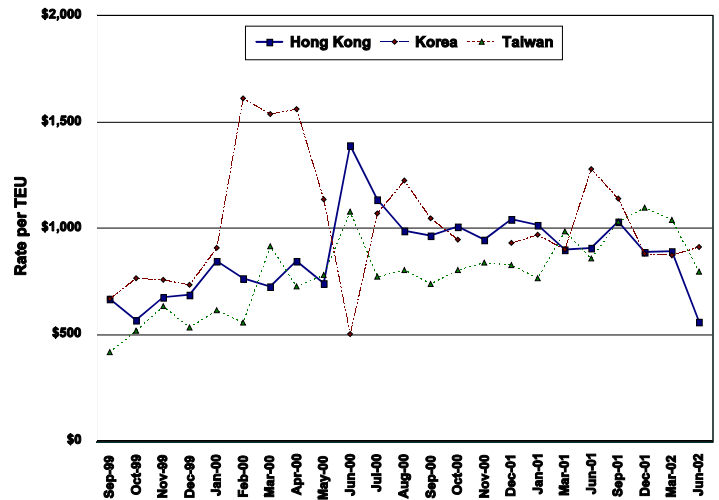
Source: Maritime Research Inc.; rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option

CONTAINER

Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share

Source: Transportation & Marketing/AMS/USDA

Container Rates - Soybeans
Seattle, WA Origin to Tokyo, Japan**Container Rates - Feed Grain**
Seattle, WA Origin to Selected Destinations

Approximately 420,000 MT of grain and oilseed exports were marketed via container in 2001. This volume increased 26% compared to 1997.